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/30 July 1975

MEMORANDUM FOR THE RECORD

SUBJECT: Briefing of HSC Staff

1. Jack Blake and John McMahon briefed House Select Committee staffers Emily Sheketoff and Ed Roeder for four hours on 29 July. They sprang a series of complicated questions and wanted to take back written replies which obviously we were unprepared to provide. They requested documents, and were told that we were not ready to provide those either. They said that rather than senior officers providing five-minute explanations of each office in their directorate, they would prefer to read mission statements and to receive orally what was not available in writing. Boos called later to note staff unhappiness that they were not getting figures. They want the briefings keyed to money, a "complete rundown on all expenditures." Briefings need not be given by top officials.

2. As during the briefing provided by Jack Iams, their questions suggested that they are looking for indications that the Agency is able to make or acquire money through stock market manipulations, investments, proprietaries, or by obtaining services or cash from other government agencies which allows it to conduct operations that have not been specifically authorized by congress. They are also interested in finding out whether Agency managers can move large chunks of money at their own discretion. Roeder said that one of the features distinguishing Pike's investigation from Church's would be Pike's concentration on management matters.

3. They indicated that they will probably want briefings from the Office of Logistics and from Credit Union and VIP officials.

4. To get a taste of their interests, here are some of the questions they asked DDA:

a. May we have a list of all Agency real estate holdings? (McMahon asked if they appreciated

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the sensitivity of putting such information on one sheet of paper? They indicated that they had some idea that security was involved but had less appreciation of the magnitude of the problem.)



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c. They wanted Office of Training documents showing how the Agency works. This developed from their reading of Agee, who had written that he had spent weeks reading about the Agency before he had been allowed to do anything. Blake suggested that they would get a good explanation of formal Agency procedures from reading the Regulations.

d. What does the DDA do that is not reflected on its organization chart? The implication was that some significant portion of his time was devoted to activities hidden from view.

e. What is the size and how is the escrow account for agents managed?

f. What funds does the Agency invest?

g. Does the Agency "play the market"?

h. Are Agency employees using inside information able to "play the market" to the benefit of themselves as individuals or of the Agency?

i. Are proprietaries issuing or selling stock?

j. Are any proprietaries investing in securities, or do they hold and invest funds in the stock market (in excess of \$100,000)?

k. They obviously are investigating whether there have been improprieties in the sale of assets of proprietaries to former agents or to former employees.

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1. They want a list of all worldwide "spook" contract services including agent personnel abroad, consultants, contract studies and joint programs.

m. They were surprised by McMahon's statement that as much as 38% of our computer time is devoted to management purposes.

5. An encouraging sign was that they asked if they could have a copy of the rules for handling classified information. ✓

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